

Etymology¹ is of minor service, as I have said, in determining correct definitions; it furnishes the origin and purpose of a term as a necessity of nomenclature when some verbal distinction was required to mark a new event, or a novel procedure, or a fresh want, or a shade of difference which a general cognate word did not sufficiently express; thus confusion and carelessness of usage compel us to settle definitions by an analysis, comparison and induction of actual applications.

I now consider the common view—stupid though it be—which merges speculation and gambling into one meaning, and that meaning associated with the hazards of dice and cards. The three terms—investment, speculation and gambling—concur in their relation to the future, and the greater or less degree of uncertainty which is sometimes spoken of as chance.

So far, then, no distinction exists. When the ordinary investor purchases shares in a railway company he is, from the nature ⁰⁶ of the case, speculating (weighing future chances) upon the prospects of the line (to be revealed in future dividends and prices); upon (consequently) the course of trade on whose prosperity the dividends of the railway depend; and (perhaps) upon the possibility of an adverse position by some invention which may introduce electrical traction in an adaptable form. He naturally would refrain from buying unless he judged that the probabilities of a maintained or improved condition were superior to those of an adverse character. His distinctive position, of course, is that of one who seeks a permanent source of income: not a mere series of purchases and sales undertaken solely for the purpose of snatching successive profits. But the investment is still of the nature of a speculation in future issues.

The tradesman speculates (on the basis of experience, but still with unknown elements entering into his decision) when

¹ Speculation: Latin *speculari*, to watch, spy out, derived from *specula*^ a watch-tower. In *Macbeth* (Act III. sc. iv.) the word has the fuller meaning of the mental intelligence whose medium is the eye (and so in Stanza Ivii. of *Jn Memoriam*). Gambling, the verb, has not been

discovered in literature until about 1775 to 1786 ; the apparent derivatives gamble and gambling occur earlier, and in the eighteenth century were regarded as slang. The origin appears to be the Old English *gamenian*, to sport or play, from *gamen*, a game.